

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

4 – 6 June 2013

Question: BET 53

Topic: Wine Equalisation Tax

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Senator EDWARDS asked:

Senator EDWARDS: No, that's fine. Where did New Zealand win the argument in 2006 which now affords them a competitive advantage over Australian wine producers of 29 per cent?

Mr Heferen: I am afraid I do not know the answer to that. We would have to take that on notice.

Senator EDWARDS: That is fine.

Senator Wong: You might want to ask your colleagues who negotiated it.

Senator EDWARDS: That is why I made the point, Minister: it was 2006.

Senator CAMERON: If this is an attack on free trade, I am sitting here going, 'Wow!'

Senator EDWARDS: No, it is not an attack on—

Senator CAMERON: Keep going, Senator, I am okay.

Mr Heferen: We will take that on notice.

Answer:

In 2004, the Australian Government introduced legislation to allow Australian wine producers to claim a rebate on the wine equalisation tax (the producer rebate). The New Zealand Government considered that the proposed producer rebate could contravene the *Australia and New Zealand Closer Economic Relations Trade Agreement of 1983* and the *General Agreement on Tariffs and Trade 1994*.

An in principle agreement to extend the producer rebate to New Zealand wine producers was announced in a communiqué issued jointly by the Australian and New Zealand trade ministers on 11 December 2004.

In 2005, the Australian Government introduced legislative amendments to enable New Zealand wine producers to access the producer rebate.